

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2017-256-C- ORDER NO. 2017-741
DECEMBER 19, 2017

IN RE:	Application of Combined Public)	ORDER GRANTING
	Communications, LLC for Certificate of)	CERTIFICATE AND
	Public Convenience and Necessity to Provide)	APPROVING
	Intrastate Resold Institutional)	ALTERNATIVE
	Telecommunications Services and for)	REGULATION
	Alternative Regulation within the State of)	
	South Carolina)	

This matter comes before the Public Service Commission of South Carolina (“Commission”) by way of the Application of Combined Public Communications, LLC (“CPC” or “Company”) requesting a Certificate of Public Convenience and Necessity authorizing it to provide specialized institutional telecommunications services throughout the State of South Carolina, pursuant to S.C. Code Ann. § 58-9-280, as amended, and Section 253 of the Telecommunications Act of 1996. CPC also sought alternative regulation of its interexchange services, consistent with Order Nos. 95-1734 and 96-55 in Docket 95-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C; waiver of certain Commission Regulations, specifically Regulation 103-610 regarding location of records; and waiver of any requirement to maintain financial records in conformance with the Uniform System of Accounts (“USOA”).

The Commission’s Clerk’s Office instructed CPC to publish, one time, a Notice of Filing and Hearing in newspapers of general circulation in the areas of the state affected by the Application. The purpose of the Notice of Filing and Hearing was to inform interested parties of the Application of CPC and of the manner and time in which to file the appropriate pleadings for

participation in the proceeding. CPC complied with this instruction and provided the Commission with proof of publication of the Notice of Filing and Hearing. No parties intervened.

On November 2, 2017, Lessie C. Hammonds, counsel for the South Carolina Office of Regulatory Staff (“ORS”) filed a letter with the Commission setting out that it had reviewed the Application and did not oppose the Commission granting the Application in consideration of the Stipulation executed by the parties. Pursuant to the Stipulation, CPC will post a bond. The Stipulation was filed on November 2, 2017, and is attached as **Order Exhibit 1**. The ORS also sought to be permitted to be excused from the hearing in the docket.

A hearing on the Application was held on November 6, 2017, at 10:30 a.m. in the offices of the Commission in Columbia, South Carolina, before Randall Dong, Hearing Examiner. CPC was represented by Frank R. Ellerbe, III, Esquire. At the beginning of the hearing CPC requested that it be allowed to withdraw Exhibit C to the Application filed in this Docket. CPC had filed a motion seeking to have Exhibit C protected as confidential and ORS had objected. Following the agreement between CPC and ORS regarding the posting of the bond, ORS agreed that CPC should be allowed to withdraw Exhibit C and that the withdrawal would render moot the request for confidential treatment.

Brett Ruschman, Vice President of Technology for CPC, appeared by videoconferencing and testified in support of the Application. The record reveals that CPC is a Delaware limited liability company and has registered to transact business in South Carolina as a foreign limited liability company. According to Mr. Ruschman, CPC seeks authority to provide automated operator-assisted collect and prepaid calling services to inmates and other incarcerated persons in confinement institutions throughout the State of South Carolina. Mr. Ruschman explained the

Company's request for authority, and the record further reveals the Company's services and operations.

Mr. Ruschman also discussed CPC's technical, financial and managerial resources to provide the services for which it seeks authority. Mr. Ruschman offered that CPC is financially able to support its operations in South Carolina. With regard to management and technical capabilities, the Company's Application and Mr. Ruschman's testimony both support the conclusion that CPC's management team has extensive experience in the telecommunications industry that will allow it to be a successful telecommunications carrier within the State of South Carolina. Mr. Ruschman's testimony also indicated that the issuance of a Certificate of Public Convenience and Necessity to CPC to operate as a telecommunications service provided in South Carolina would be in the best interest of the citizens of South Carolina, as the Company provides specialized equipment, controls, and restrictions needed in order to allow inmates to remain in contact with family, friends and other associates while also providing facility administrators with necessary controls on inmate communications. Mr. Ruschman also testified that CPC will operate in accordance with Commission rules, regulations, guidelines and Commission orders.

The Company requests a waiver of 26 S.C. Code Ann Regs. 103-610, since the Company's books are maintained at its Kentucky headquarters. Further, the Company requests an exemption from record keeping policies that require maintenance of financial records in conformance with the Uniform System of Accounts ("USOA"). CPC maintains its books in accordance with Generally Accepted Accounting Principles ("GAAP").

In accordance with the Stipulation entered into and signed by the parties, the Company will post a bond consistent with the terms in S.C. Code Ann. Reg. 103-607, specifically the amount of

the bond shall be no less than \$100,000. A copy of the bond with an effective date of November 1, 2017, was entered into the record at the November 6, 2017, hearing.

After full consideration of the applicable law, the Company's Application, and the evidence represented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. CPC is organized under the laws of the State of Delaware and is authorized to do business as a foreign limited liability company in South Carolina by the Secretary of State.

2. CPC has no reported record of violations of regulatory laws or regulations in the jurisdictions in which it is currently operating.

3. CPC desires to provide specialized inmate telecommunications services via automated operator-assisted collect and prepaid calling services to inmates and other incarcerated persons in confinement facilities throughout the State of South Carolina.

4. We find that CPC possess the managerial experience and capability to operate as a provider of specialized inmate telecommunications services throughout the State of South Carolina.

5. We find, based on the bond posted by the Company and the testimony submitted at the hearing, that CPC possesses sufficient financial resources to provide the services as described in its Application and testimony.

6. We find that the issuance of a Certificate of Public Convenience and Necessity to CPC to operate as a telecommunications service provider in South Carolina would be in the best interest of the citizens of South Carolina, as the Company provides specialized equipment,

controls, and restrictions needed in order to allow inmates to remain in contact with family, friends and other associates while also providing facility administrators with necessary controls on inmate communications.

7. CPC has no plans to maintain offices in South Carolina and requests a waiver of 26 S.C. Code Ann. Regs. 103-610. The Commission finds CPC's requested waiver reasonable and understands the difficulty presented to the Company should the waiver not be granted. Further, we find that a waiver of 26 S.C. Code Ann. Regs. 103-610 to be in the public interest. We also believe that exemption from the policies that would require the Company to keep its records under the Uniform System of Accounts is reasonable.

8. We also find that a waiver of the requirement to file operating maps pursuant to S.C. Regs. 103-612.2.3 is reasonable since the Company seeks statewide authority.

9. The Company has the managerial, technical, and financial resources to provide the services as described in its Application. S.C. Code Ann. Section 58-9-280(B)(1).

10. The Commission finds that the Company's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280(B)(3) (Supp. 2008).

11. The Commission finds that the Company will support universally available telephone service at affordable rates. S.C. Code Ann. Section 58-9-280(B)(4).

12. The Commission finds that services to be provided by the Company will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280(B)(2).

13. The circumstances of this case merit the requirement that a \$100,000 bond be posted by the Company.

CONCLUSIONS OF LAW

1. The Commission concludes that CPC possesses the managerial, technical, and financial resources to provide the telecommunications services as described in its Application.

2. The Commission concludes that CPC will participate in the support of universally available telephone service at affordable rates to the extent that CPC may be required to do so by the Commission.

3. The Commission concludes that CPC will provide services which will meet the service standards of the Commission.

4. The Commission concludes that approval of CPC's Application to provide intrastate telecommunications services within South Carolina will serve the public interest by offering an alternative source of specialized inmate telecommunications service providers and by providing for efficient use of existing telecommunications resources.

5. The Commission concludes that the provision of intrastate telecommunications service by CPC will not adversely impact the public interest.

6. The Commission concludes that the issuance of the authority to provide intrastate telecommunications services as required by CPC and as set forth in its Application and Brett Ruschman's testimony is in the best interest of the citizens of the State of South Carolina.

7. The Commission concludes that a Certificate of Public Convenience and Necessity should be granted to CPC to provide resold intrastate telecommunications services to inmates of correctional facilities in South Carolina.

8. We conclude that CPC's request for waiver of 26 S.C. Code Ann. Regs. 103-610 should be granted as strict compliance with the regulation would potentially cause undue hardship on the Company. We also grant exemption from the policies requiring the use of USOA.

9. The Stipulation between the ORS and CPC should be approved.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

1. A Certificate of Public Convenience and Necessity should be granted to CPC to provide intrastate specialized institutional telecommunications services within the State of South Carolina.

2. The Company's rate designs for its products shall conform to those designees described in the Conclusions of Law above.

3. CPC is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

4. With regard to the Company's resale of service, except for calls placed from phones used by incarcerated persons within correctional facilities, it will allow an end-user to access another interexchange carrier or operator service provider if the end-user so desires.

5. CPC shall resell the services of only those interexchange carriers or local exchange carriers authorized to do business in South Carolina by this Commission.

6. With regard to the origination and termination of toll calls within the same LATA, the Company shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll

dialing parity rules established by the FCC pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, CPC shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

7. CPC shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, CPC shall keep financial records on an intrastate basis for South Carolina to comply with the annual report and gross receipts filings. The proper form for filing annual financial information can be found at the Commission's website at www.psc.sc.gov/Pages/Forms.aspx or at the ORS's website at www.regulatorystaff.sc.gov. The title of this form is "Telecommunications Company Annual Report." This form shall be utilized by the Company to file annual financial information with the Commission and ORS and shall be filed no later than **April 1st**.

8. Commission gross receipts forms are due to be filed with the Commission and ORS no later than **August 31st** of each year. The proper form for filing gross receipts information can be found at the ORS website at www.regulatorystaff.sc.gov, and the appropriate form is entitled "Gross Receipts Form."

9. Each telecommunications company certified in South Carolina is required to file annually with the ORS the Intrastate Universal Service Fund ("USF") worksheet, which may be found on the ORS's website at www.regulatorystaff.sc.gov. This worksheet provides ORS information required to determine each telecommunications company's liability to the State USF

fund. The Intrastate USF worksheet is due to be filed annually no later than **August 1st** with the Commission and ORS.

10. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission and ORS in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. CPC shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The “Authorized Utility Representative Information” form can be found at the Commission’s website at www.psc.sc.gov/reference/forms.asp; this form shall be utilized for the provision of this information to the Commission and ORS. Further, the Company shall promptly notify the Commission and ORS in writing if the representatives are replaced.

11. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

12. CPC is granted a waiver of 26 S.C. Code Ann. Regs. 103-610 (Supp. 2016), which requires the Company to maintain its financial books and records within the State of South Carolina. CPC is granted permission to maintain its financial books and records at its principal headquarters provided that CPC makes its books and records available for examination upon request by the Office of Regulatory Staff. Further, the Commission acknowledges that CPC shall maintain its financial records in conformance with GAAP

13. CPC will not initially offer or provide any service that would implicate Title 23, Chapter 47 of the South Carolina Code Annotated, which governs the establishment and implementation of a “Public Safety Communications Center,” which is more commonly known as a “911” system or “911 service.” However, should CPC in the future offer or provide services which would implicate this Chapter, CPC agrees to contact the appropriate authorities regarding 911 services in the counties and cities where the Company will be operating prior to initiating local service in South Carolina.

14. The Stipulation between CPC and the ORS is hereby approved.

15. CPC shall post the bond as described above.

16. If it has not already done so, the Company shall file its tariffs utilizing the Commission’s e-filing system for tariffs within thirty (30) days of the issuance of this Order. The tariffs should be electronically filed in a text searchable PDF format using the Commission’s DMS System (<https://dms.psc.sc.gov>). An additional copy should be sent via email to etariff@psc.sc.gov to be included in the Commission’s ETariff System (<https://etariff.psc.sc.gov>). Future revisions to the tariffs should be made using the ETariff System. The tariffs shall be consistent with the findings of this Order and with the Commission’s Rules and Regulations.

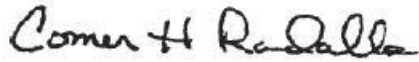
17. This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



Swain E. Whitfield, Chairman

ATTEST:



Comer H. Randall, Vice Chairman

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2017- 256- C

October 25, 2017

IN RE: Application of Combined Public Communications,)
LLC for a Certificate of Public Convenience and)
Necessity to Provide Intrastate Resold Institutional) **STIPULATION**
Telecommunications Services and for Alternative)
Regulation Within the State of South Carolina)

This Stipulation is made by and among the South Carolina Office of Regulatory Staff ("ORS") and Combined Public Communications, LLC ("Company") (collectively referred to as the "Parties" or sometimes individually as a "Party").

WHEREAS, on August 10, 2017, the Company filed its Application for a Certificate of Public Convenience and Necessity to Provide Intrastate Resold Institutional Telecommunications Services and for Alternative Regulation Within the State of South Carolina;

WHEREAS, ORS has reviewed the Application and testimony of Jonathan Neal Brooks, IV and Brett E. Ruschman;

WHEREAS, the Company proposes to provide automated operator-assisted collect and prepaid calling services to inmates and other incarcerated persons in confinement institutions throughout the State of South Carolina;

WHEREAS, as a result of its investigation, ORS has determined that subject to the provisions set forth below, ORS does not oppose the Company's request for authority to resell intrastate specialized inmate telecommunications services within the State of South Carolina;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

- 1) The Company agrees to post a bond consistent with the terms in S.C. Code Ann. Reg. 103-607, specifically the amount of the bond shall be no less than \$100,000.
- 2) ORS does not oppose the Company's request that it be exempt from any financial recording rules or regulations that require it to maintain its financial records in conformance with the Uniform System of Accounts;
- 3) ORS does not oppose the Company's request of a waiver of S.C. Code Ann. Reg. 103-610 that it be exempt from maintaining all records within the state of South Carolina;
- 4) The Company agrees to maintain its books and records associated with its South Carolina operations in a manner that would permit ORS to verify any of the Company's reports filed with the Commission and provided to ORS;
- 5) ORS does not oppose the Company's request of a waiver of 26 S.C. Reg. 103-612.2.3 requirement to file operating maps;
- 6) The Company agrees to file with the Commission and ORS a completed authorized utility representative form (AURF) within thirty (30) days of the Commission's order and to maintain and update the AURF as changes occur;
- 7) The Company agrees to comply with all orders, directives, guidelines, rules and regulations of the Commission unless the Commission has expressly waived such requirement, rule or regulation;
- 8) The Company agrees to file a final revised tariff with both ORS and the Commission within thirty (30) days of the Commission Order granting certification, and the revised tariff shall reflect and be in accordance with ORS's recommendations;
- 9) The Company agrees to file and maintain, in current status, its tariff with the Commission electronic tariff filing system;
- 10) The Company agrees to resell the services only of those telecommunications carriers authorized to do business in South Carolina by the Commission. The Company agrees that provision of service using Internet Protocol ("IP") technology does not, in any way, change or diminish the Commission's authority to regulate the Company and its services in accordance with state law; and
- 11) The Company agrees to support and file necessary financial information with the Commission and ORS for USF reporting, dual party relay service fund reporting, annual reporting, gross receipts reporting, authorized utility representative information, and/or any other reporting which may now or in the future be applicable to telecommunications providers such as the Company. The Parties agree that such reports shall be filed pursuant to ORS's instructions and that monies shall be remitted in accordance with the directions of ORS and the Commission's requirements.
- 12) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10(B) (Supp. 2014). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:
 - ... 'public interest' means a balancing of the following:
 - (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;

- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Stipulation reached among the Parties serves the public interest as defined above.

13) The Parties agree to advocate that the Commission accept and approve this Stipulation in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and that the Commission take no action inconsistent with its adoption. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Stipulation be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Stipulation and the terms and conditions contained herein.

14) The Parties represent that the terms of this Stipulation are based upon full and accurate information known as of the date this Stipulation is executed. If, after execution, either Party is made aware of information that conflicts with, nullifies, or is otherwise materially different than that information upon which this Stipulation is based, either Party may withdraw from the Stipulation with written notice to the other Party.

15) The Parties agree that signing this Stipulation will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Stipulation in its entirety, then any Party desiring to do so may withdraw from the Stipulation in its entirety without penalty or obligation.

16) This Stipulation shall be interpreted according to South Carolina law.

17) The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Stipulation by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Stipulation. The Parties agree that in the event any Party should fail to indicate its consent to this Stipulation and the terms contained herein, then this Stipulation shall be null and void and will not be binding on any Party.

[PARTY SIGNATURES TO FOLLOW ON SEPARATE PAGES]

Representing the South Carolina Office of Regulatory Staff

A handwritten signature in blue ink, appearing to read 'C. J. Hammonds', is written over a horizontal line.

Lessie Hammonds, Esquire
South Carolina Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, South Carolina 29201
Tel.: (803) 737-0803
Fax: (803) 737-0895
Email: lhammond@regstaff.sc.gov

Representing Combined Public Communications, LLC



Frank R. Ellerbe, III, Esquire
Sowell Gray Robinson Stepp & Laffitte, LLC
P.O. Box 11449
Columbia, South Carolina 29201
Tel.: (803) 227-1112
Email: fellerbe@sowellgray.com